

May 30, 2003

Mr. Kirk Cessna, Office Chief of Local Assistance
California Department of Transportation
700 N. Alameda Street, 4th Floor
Los Angeles, CA 90012

Attention: Mr. Sohan Basra

RE: ***DRAFT ANNUAL OVERALL DBE GOAL
INFORMATION FOR FY 2003-2004***

Dear Mr. Basra:

The Southern California Association of Governments (SCAG) respectfully submits for your review and comments our annual overall goal information for the new fiscal year (FY), as well as a proposed update of our DBE program. SCAG proposes an annual overall DBE goal of 6% for FY 2003-2004, which begins on July 1, 2003 and ends on June 30, 2004.

The amount of overall goal, methodology, breakout of estimated race-neutral and race-conscious participation, and any DBE program updates are presented herein (see Attachment) in accordance with Title 49 of the Code of Federal Regulations Part 26, and as described in the *Local Assistance Procedures Manual* ("LAPM," March 2001).

A summary of the breakout percentages and a proposed DBE program update appears below.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

5.4% (90% of the total goal of 6%) is broken-out as a race-conscious component. The remaining **.6%** (10% of the total goal of 6%) is spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.

DRAFT Annual Overall DBE Goal Information
May 30, 2003

DBE Program Update

Sean Flynn is no longer employed with SCAG. Sandeepa Scott, SCAG Contracts Administrator, has assumed the responsibilities of DBE Liaison Officer effective January 1, 2003.

Contact information:

Sandeepa Scott, Contracts Administrator
818 West Seventh Street, 12th Floor
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scotts@scag.ca.gov

Samir Mehta
Manager of Contracts

Date

ATTACHMENT

DBE Goal Methodology

The Southern California Association of Governments (SCAG) FY 2003-2004 Overall Work Program (OWP) is partly funded by the U.S. Department of Transportation (DOT) under a Consolidated Planning Grant (CPG), which includes funding from FHWA and FTA.¹ SCAG also receives funding from FAA and other Federal sources. The estimated value of DOT-assisted contracts and purchases identified in FY 2003-2004 is as follows:

I. DOT-Assisted Contracting Program [49CFR 26.45(a)]: Anticipated Work Program for FFY 2003-2004

Work Category	NAICS Category	Estimated Dollar Value	% of Federal Funding by Work Category
Transportation Planning Consulting Environmental Consulting Services	541620 Not Available	\$ 4,477,333	81%
Professional Services	541	702,000	13%
Commercial Lithographic Printing	323110	135,000	3%
Computer Hardware & Software	443120	216,900	3%
TOTAL		\$ 5,531,233*	100%

*These numbers exclude carry-over funding from the FY 2002-2003 OWP and are strictly for *new* contracts and purchase orders.

The types of projects funded from the above sources, will be directly administered by SCAG and include:

- Air Quality Management Plans
- Growth Visioning Studies
- Aerial Photography
- Regional Demographic Modeling and Area Income Modeling
- Air Cargo Studies
- Economic Modeling
- Environmental Impact Reports
- Goods Movement/Truck and Rail Studies
- Highway Studies and Highway Inventories
- Housing Needs Assessments and Strategies
- Parking Cost Modeling
- Regional Cordon Surveys
- Public Participation and Outreach
- Other Required Transportation Planning & Mandated Activities

¹ The FY 2003-2004 OWP is expected to begin on July 1, 2003 and end on June 30, 2004.

II. DBE Goal Methodology [49CFR 26.45(b)]:
Definition of Base Figure [49 CFR 26.45(b)]

The base figure is defined as the relative availability of DBEs in relation to all comparable firms available in an agency's contracting market area.

$$\frac{\text{Number of Ready, Willing, and Able DBEs}}{\text{Number of All Ready, Willing, and Able Firms}} = \text{BASE FIGURE}$$

Step 1. Determination of a Base Figure [49CFR 26.45(c)]:

The base figure for the relative availability of DBE firms that are ready, willing, and able to participate in DOT-assisted contracting in the SCAG area are as follows:

	<u>Consulting</u>	<u>Professional</u>	<u>Printing</u>	<u>Computer</u>
Base Figure =	$\frac{.81 (50)}{840}$	$\frac{.13 (2)}{102}$	$\frac{.3 (5)}{60}$	$\frac{.3 (5)}{63}$
Base Figure =	.048	.003	.025	.023
Base Figure =	10%			

SCAG determined the Base Figure by following the “Utilizing the Bidders List” methodology. SCAG maintains an internal database of consultants and vendors. Presently, SCAG’s database provides the most accurate number of potential DBEs available in the SCAG area.

SCAG’s database contains firms that provide the types of services utilized by SCAG in the six-county region (Los Angeles, Orange, Imperial, Ventura, San Bernardino, and Riverside counties). Since SCAG is a transportation planning agency, SCAG frequently contracts with transportation planning and environmental consultants throughout the region.

Therefore, based upon the ratio of DBE to non-DBE firms, the base figure is 10 % for availability of participation by DBE firms.

Step 2. Adjusting the Base Figure [49CFR 26.45(d)]:

After determining the base figure of 10%, staff surveyed SCAG’s records from the previous year to determine whether an adjustment of the base figure is necessary.

In the past year, the value of contracts awarded to DBE firms was approximately \$1,798,506, out of a total value of approximately \$5,218,000 awarded to contractors and consultants during the same period. We are extremely pleased that the percentage of work awarded to DBE firms, based on the total value of all contracts and purchase orders, was 34%.

Although the annual goal of 6% for FY 02-03 was exceeded by a wide margin due to the anomaly of one large dollar value (1.5 million) contract being awarded to a DBE firm, this is unlikely to be repeated for FY 03-04. When the percentage is calculated excluding the one large value dollar contract, SCAG would have achieved an annual goal of 6% for FY 02-03.

SCAG will make every effort to achieve the Base Figure of 10% participation by DBE firms. However, after reviewing SCAG's preliminary bidders list and based on the volume of work performed by DBEs in recent years, SCAG is requesting an adjustment from 10% to 6% as the annual overall goal.

Resultant Goal [49 CFR 26.45(e)]: 6%

III. Breakout of Estimated Race-Neutral and Race-Conscious Participation [49 CFR 26.51]:

"Race-conscious measure or program" is one that is focused specifically on assisting only DBEs, including women owned DBEs" (LAPM, 9-1).

Under the above definition, SCAG employs the following race-conscious measure:

SCAG contracting procedures require the consultant selection panel to factor DBE participation into the competitive selection process. A bidder may receive a weighted score of 1-5 points (out of 100 total points), depending on whether a bidder is a DBE or subcontracts part of the work to a DBE firm. Five points is the maximum weight received if DBE participation is involved.

Since approximately 90% of the DOT-assisted funds received by SCAG are awarded to consultants through the selection process described above, 90% of the total goal should be broken-out as a race conscious component. The remaining 10% is spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.

IV. Public Participation in Setting Overall Annual DBE Goal [49 CFR 26.45(g)]

Upon approval of this draft goal by Caltrans and SCAG's governing body, the Regional Council, SCAG will publish a notice of the proposed overall goal, in compliance with 49 CFR 26.45(g) and the LACM.

June 25, 2002

Department of Transportation
Office of Local Programs
700 N. Alameda Street, 4th Floor
Los Angeles, CA 90012

Attention: Mr. Satish Chander, Chief
Office of Local Programs and Alameda Corridor
Caltrans District 7

RE: ***DRAFT ANNUAL OVERALL GOAL INFORMATION FY 2002-2003***

Dear Mr. Chander:

The Southern California Association of Governments (SCAG) respectfully submits for your review and comment our annual overall goal information for the new fiscal year (FY), as well as a proposed update of our DBE program. SCAG proposes an annual overall DBE goal of 6% for FY 2002-2003, which begins on July 1, 2002 and ends on June 30, 2003.

The amount of overall goal, methodology, breakout of estimated race-neutral and race-conscious participation, and any DBE program updates are presented herein (see Attachment) in accordance with Title 49 of the Code of Federal Regulations Part 26, and as described in the *Local Assistance Procedures Manual* ("LAPM," March 2001).

A summary of the breakout percentages and a proposed DBE program update appears below.

Breakout of Estimated Race-Neutral and Race-Conscious Participation

5.4% (90% of the total goal of 6%) is broken-out as a race-conscious component. The remaining **.6%** (10% of the total goal of 6%) is spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.

DRAFT Annual Overall Goal Information
June 25, 2002

DBE Program Update

Sean M. Flynn, SCAG Contracts Administrator will assume the responsibilities of DBE Liaison Officer effective July 1, 2002.

Justine Block
DBE Liaison Officer

Date

ATTACHMENT

DBE Goal Methodology

The Southern California Association of Governments (SCAG) FY 2002-2003 Overall Work Program (OWP) is partly funded by the U.S. Department of Transportation (DOT).² The estimated value of DOT-assisted contracts and purchases identified in SCAG's FY 2002-2003 OWP is as follows:

I. DOT-Assisted Contracting Program [49CFR 26.45(a)]: SCAG's Anticipated Work Program for FY 2002-2003

Source of Funding	Estimated Value of Contracts
FHWA/FTA	\$4,500,000*
FAA	718,000*
TOTAL	\$5,218,000

*These numbers exclude carry-over funding from the FY 2001-2002 OWP and are strictly for *new* contracts and purchase orders.

The types of projects funded from the above sources, will be directly administered by SCAG and include:

- Air Quality Management Plans
- Growth Visioning Studies
- Aerial Photography
- Regional Demographic Modeling and Area Income Modeling
- Air Cargo Studies
- Economic Modeling
- Environmental Impact Reports
- Goods Movement/Truck and Rail Studies
- Highway Studies and Highway Inventories
- Housing Needs Assessments and Strategies
- Parking Cost Modeling
- Regional Cordon Surveys
- Public Participation and Outreach
- Other Required Transportation Planning & Mandated Activities

ATTACHMENT
June 25, 2002

***II. DBE Goal Methodology [49CFR 26.45(b)]:
Definition of Base Figure [49 CFR 26.45(b)]***

² The FY 2002-2003 OWP is expected to begin on July 1, 2002 and end on June 30, 2003.

The base figure is defined as the relative availability of DBEs in relation to all comparable firms available in an agency's contracting market area.

Number of Ready, Willing, and Able DBEs

----- = **BASE FIGURE**

Number of All Ready, Willing, and Able Firms

Step 1. Determination of a Base Figure [49CFR 26.45(c)]:

The base figure for the relative availability of DBE firms that are ready, willing, and able to participate in the DOT-assisted contracting in the SCAG area is 255 firms. SCAG determined this figure by utilizing the following sources: Census Directories (1999 Census Bureau County Business Pattern databases) for the six-county SCAG region; the Caltrans DBE Directory (10/15/01); and, SCAG's internal database of consultants and vendors. Presently, these sources provide the most accurate number of potential DBEs available in the SCAG area.

The Census Directories contain a total of 6,327 firms (including the 255 mentioned above) that provide the types of services utilized by SCAG in the six-county region (Los Angeles, Orange, Imperial, Ventura, San Bernardino, and Riverside counties). Since SCAG is a transportation planning agency, SCAG frequently contracts with transportation planning and environmental consultants throughout the region. Examples of other types of firms that SCAG utilizes include executive search firms, office supply vendors, and printing and graphics companies.

Therefore, based upon the ratio of DBE to non-DBE firms, the base figure is 4 % participation by DBE firms.

Step 2. Adjusting the Base Figure [49CFR 26.45(d)]:

After determining the base figure of 4%, staff surveyed SCAG's records from the previous year to determine whether an adjustment of the base figure is necessary.

Page 2

ATTACHMENT
June 25, 2002

In the past year, the value of contracts awarded to DBE firms was approximately \$1,560,719, out of a total value of approximately \$27,745,566 awarded to contractors and consultants during the same period. Thus, the percentage of work awarded to DBE firms, based on the total value of all contracts and purchase orders, was 5.6%.

Therefore, SCAG anticipates at least 4% participation by DBE firms, with an adjustment upward to 6% considering past participation.

Resultant Goal [49 CFR 26.45(e)]: 6%

III. Breakout of Estimated Race-Neutral and Race-Conscious Participation [49 CFR 26.51]:

“Race-conscious measure or program” is one that is focused specifically on assisting only DBEs, including women owned DBEs” (LAPM, 9-1).

Under the above definition, SCAG employs the following race-conscious measure:

SCAG contracting procedures require a consultant selection panel to factor DBE participation into the competitive selection process. A bidder may receive a weighted score of 1-5 points (out of a total 100 points), depending on whether a bidder is a DBE or will subcontract part of the work to a DBE firm. Five points is the maximum weight received if DBE participation is involved.

Since approximately 90% of the DOT-assisted funds received by SCAG are awarded to consultants through the selection process described above, 90% of the total goal should be broken-out as a race conscious component. The remaining 10% is spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.

IV. Public Participation in Setting Overall Annual DBE Goal [49 CFR 26.45(g)]

Upon approval of this draft goal by Caltrans and SCAG’s governing body, the Regional Council, SCAG will publish a notice of the proposed overall goal, in compliance with 49 CFR 26.45(g) and the LACM.